



State of Connecticut
HOUSE OF REPRESENTATIVES
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Testimony of State Representative David Kiner
To the Insurance and Real Estate Committee in support of:
HB 5487, AAC the Recommendations of the Small Business Healthcare Working Group
March 13, 2012

Thank you for the opportunity to voice my support for HB 5487, *AAC the Recommendations of the Small Business Healthcare Working Group*. As a member of the working group, I had the pleasure of working with several of my legislative colleagues, as well as small businesses from around the state to come up with some creative solutions to the challenges facing small businesses. Our group examined the obstacles and opportunities for small business owners seeking to purchase health coverage for their employees and their families. Several of the working group's recommendations are included in this legislation.

Connecticut is fortunate to be home to many bright, hardworking entrepreneurs. Whether they are working in town or out of their basements, they face many of the same challenges. One of the most daunting is health care—it is one of the highest expenses after salaries. These costs prevent small businesses from bringing on new employees and also from providing coverage to the ones they have.

Small employers have little negotiating power and the time and energy involved in securing a policy takes them away from what they do best. Connecticut needs its small businesses to be investing in innovation, growing our economy and workforce.

I think each one of us has heard from a local business, a constituent, a relative or a friend, about the challenges and uncertainties of purchasing insurance coverage as an individual or part of a small group. Being a state representative from a boarder town, it is common practice for me to hear my small business owners expressing strong interest in moving just one mile north into Massachusetts.

Our small employers and self-employed workforce deserve the same value for their hard-earned premium dollar as large employers, who pay substantially less for the same insurance products.

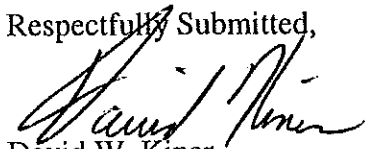
HB 5487 takes several steps to improve small employers' access to affordable coverage. First, it permits small employers to purchase insurance through the state employee health insurance plan, taking advantage of the state's ability to negotiate good health insurance at good prices. The bill also prohibits insurers from adjusting small group premiums based on age, gender and occupation. This means small group premiums will no longer rise as employees age, removing disincentive to hiring older, more skilled workers.

This legislation also requires insurers to rate and offer policies to associations. For years, some of Connecticut's professional associations have tried unsuccessfully to band together and purchase insurance as large groups. This provision would entitle them to receive a price quote for insuring their association based on the claims experience of the entire group.

Finally, this proposal requires insurers to report on whether employers' current insurance plans meet the minimum cost-sharing standards that will be in place in 2014. Employers need this information as soon as possible so that they can identify affordable options if their coverage does not meet this floor.

Thank you for the opportunity to testify on this important legislation. I encourage the committee to support this proposal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "David W. Kiner", written over the printed name.

David W. Kiner
State Representative, 59th District